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DATE: 8 NOV 1978

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ORIGINAL

MAR 25 1954

MEMORANDUM FOR: Project Review Committee

THROUGH : Deputy Director/Intelligence

SUBJECT : Request for Approval of an External Research Project  
on the Public Revenue System of Communist China

1. PROBLEM:

For ORR to obtain authority to initiate an external research project which will describe the sources and collection of the principal revenues of the Chinese Communist Government. (See Appendix A)

2. ASSUMPTIONS:

a. There are sufficient classified materials to occupy the full attention of ORR analysts, yet the classified materials do not provide a complete picture of the Chinese Communist revenue system.

b. There is a considerable volume of laws, regulations, and monographs in the Chinese language and published in Communist China relating to the revenue system to warrant the employment of a qualified economist with Chinese language ability to summarize such information.

3. FACTS BEARING ON THE PROBLEM:

a. During the past year a significant volume of Chinese language materials relating to the revenue and taxation system of Communist China has accumulated in the Library of Congress and it is as yet untranslated by the Foreign Documents Division.

b. The few economic analysts in ORR who have competence in the Chinese language are already fully occupied in the study and processing of classified materials.

c. The exploitation and translation service of the Foreign Document Division can provide translations and exploitations of Chinese language documents but can not make an analytical appraisal of the subject matter of the documents.

d. The subject of the sources of revenues and the tax collection system of the Chinese Communist Government is of critical importance in ORR's continuing study and analysis of the growth of the Chinese Communist economy.

e. Competence in both economic analysis and the Chinese language is required to utilize and appraise the information and Chinese language materials which are available.

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undertake this proposed external research project, which will be closely supervised and directed along the appropriate lines to fulfill ORR's needs.

4. DISCUSSION:

a. The employment of a competent economic analyst with Chinese language ability to undertake this study as an external research project would represent an economy of time, money, and personnel in accomplishing the analysis of the Chinese economy by ORR.

b. The accomplishment of this project would contribute significantly to interpretative analysis of the Chinese Communist economy which is an important part of the mission of ORR.

c. Although similar studies will undoubtedly be made in due course at various universities in the United States, the systematic and detailed coverage of the accumulated mass of Chinese language materials relating to this subject can be done expeditiously and effectively for ORR purposes externally only by carrying out a project directly under ORR sponsorship.

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d. The particular qualifications of [ ] as a student of the Chinese economy and a Chinese linguist make him a desirable analyst for this project.

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e. ORR has funds available in allotment account 4-5701-10 to pay [ ] on the basis of per diem compensation for time actually spent on the project on the basis of a GS-12 salary classification (\$27.04 per day). The estimated time to be allotted to the project will be approximately two days per week March - May 1954 and four days per week June - July 1954, making the total cost of the project about \$2000.

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f. [ ], Chief, Far East Branch, Analysis Division will monitor the proposed project for ORR, of which an outline is attached as Appendix A.

g. The proposed project has been coordinated throughout the intelligence community by the EIC Subcommittee on general Economic Analysis. Only the Department of State, CIR had an interest in the project and requested a copy of the final product.

5. CONCLUSIONS:

a. The proposed method of accomplishing the study and analysis of the Chinese Communist revenue and tax collection system represents an

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economy of time, personnel and funds and will enable ORR better to carry on its analysis of the Chinese Communist economy.

6. ACTION RECOMMENDED:

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a. That [ ] be retained under a personal service contract to perform an external research project on the subject of the Public Revenue System of Communist China.

b. That a remuneration be authorized on a per diem basis of GS-12 (\$27.04 per day) for time actually spent on the project. (Total expenditure about \$2000).

[ ]

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OTTO E. GUTHE  
Assistant Director  
Research and Reports

Annex: Tab A - Outline of the proposed project.

CONCURRENCE:

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[ ]

*March 29, 1954*  
Date

ily subscribe to paragraphs 3a and 3c due to  
retation. Please see recommendations, Tab B.

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[ ]

*2 April 1954*  
Date

Action by approving authority:

APPROVED: (Signature)

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[ ]

*APR 6 1954*  
Date

Funds are available in the current allocation to ORR and the Comptroller's Office has been advised accordingly.

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